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OFFICE OF STRATEGIC SERVICES

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THE NEW GERMAN POLICY IN THE BALKANS -

Description

Since the fall of Italy, the Germans have completely reorganized their military administration in the Balkans and have adopted a new policy of appeasement toward both occupied and satellite states. This report analyses the new policy and describes such of its manifestations as have so far become clear.

8 February 1944

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SUMMARY

Since the fall of Italy in early September 1943, the Germans have adopted a new administrative policy in the Balkans in an attempt to secure their control over southeastern Europe. Forced to extend their area of occupation and to prepare the Balkans as a zone for military operations, they have reorganized their military administration so as to make the whole Balkan area a single military and strategic unit. Simultaneously they have instituted a political program of appeasement for both satellites and occupied countries, designed to discredit the Allies and to enlist the support of the native governments. Assuming the role of liberator, the Germans have made concessions to the national aspirations of the individual states, the scale of their generosity being inversely proportional to the capacity for collaboration and the economic value of the country concerned. Thus, Albanian independence has been restored and an apparently autonomous government established under German sponsorship. In Montenegro, an "independent" provisional government has been temporarily recognized as one step in the process of forming a projected federal Serb state. Serbia has been granted an enlarged quisling army, and has been given vague promises of additional territory. Greece has been promised the Ionian islands, the Dodecanese, and, possibly, an advantageous settlement of the Thracian and Macedonian boundaries. Finally, the areas of occupation to be policed by the satellites, Croatia and Bulgaria, have been extended.

THE NEW GERMAN POLICY IN THE BALKANS

I. Introduction

The Balkans have been the scene of the most complete reorganization of German administrative policy that has as yet taken place in response to the increased military pressure of the United Nations.[1] Although the Germans had long been encroaching on the Italian sphere of influence, the fall of Italy in early September 1943 provided the immediate occasion for the reorganization. Threatened by the advance of the Russian army and by the imminence of a British-American invasion, and confronted by actual military operations with expanded Partisan forces, the Germans were forced not only to extend their area of occupation but to prepare the Balkans as a zone for military operations. The very weakness of the Germans' military situation made it both possible and advisable to adopt a new political line. The approach of the Western Allies, with monarchical Italy as their co-belligerent, offered possibilities for a German propaganda campaign against Allied imperialism; while the advance of the Red Army, together with alleged Russian plans for a Soviet Balkan federation, enabled the Nazis to revive the legend that they are the champions of the European nations against Bolshevik aggression.

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1. For discussion of German administrative policy in the whole of Europe, see R&A No. 1756, "Development of German Pattern of Occupation."

Finally, the disappearance of Italian administration in the Balkans stimulated traditional territorial rivalries, which could be used to advantage in binding the puppet regimes more closely to Germany.

Confronted with this situation, the Germans in attempting to secure their control over southeastern Europe, undertook to institute and implement simultaneously two complementary policies. One was military, and has involved a direct reorganization of the military administration of the area, designed to provide the framework for complete German authority over all matters involving military security. The other was political and diplomatic, and has involved a shift in propaganda techniques. Southeastern Europe now began to be regarded as a unit. By placing emphasis upon its future liberation, the Germans have tried to create a group of loyal native administrations, which would secure the German rear, and could safely be permitted to take over from German military government the burden of administering marginal civil affairs.

II. The Military Reorganization

To organize German military control in line with the critical strategic situation, not only a new office but a new type of military administration has been set up. The Germans have dissolved the offices of the Military Commanders (Militaerbefehlshaber) in Serbia and in Greece. These constituted part of the pattern of regular military administration, in which the Military Commanders were directly subordinated, for civil affairs, to Hitler and the High Command. Their functions have been taken over by a new office, that of the Military Commander Southeast, responsible for the administration of civil affairs in the whole Balkan region. General of Infantry Felber has been appointed to this office. He appears to be responsible, not directly to the High Command, but rather to General Field Marshal Freiherr von Weichs, who is the tactical Commander (Oberbefehlshaber) for the southeastern theatre of operations (corresponding to von Rundstedt in the west). General Felber has appointed Franz Neuhausen, (formerly General Plenipotentiary for Economy at the office of the Military Commander in Serbia), as his Chief of Military Administration.

This chain of command is characteristic of the administration of an operational Rear Zone. It represents an important change from the regular military administrations like those the Germans previously had in Serbia and Greece. It means that the Balkans have become for the Germans a zone of operations, and that they are determined to exercise direct military control not only over all matters affecting security but also over all that concerns economic supply for the

Wehrmacht. In these circumstances, the residual civil affairs are of marginal importance in the German scheme. The Reich government has therefore been able to inaugurate a political policy designed to enlist the support of native governments and at the same time to ease the strain on the German administrative system.

III. The New Political and Diplomatic Policy

The decision to consider the Balkans as a military and strategic unit was accompanied by a parallel decision to treat the area also as a political unit. The Germans abolished the post of the Plenipotentiary of the Foreign Office attached to the Military Commander in Belgrade, while in Athens they subordinated the representative of the Foreign Office to a Special Plenipotentiary of the Foreign Office for the Southeast. Hermann Neubacher has been appointed to this office,[1] which has jurisdiction over the entire Balkan area, and headquarters at Belgrade.

As originally announced by the Germans, his mission was to consist in making the southeast a healthy sphere of pan-European solidarity, by removing all alien influences from the area and reintegrating the Balkans into their natural connections with the economy of Central Europe. He has played upon Balkan jealousies in such a way

1. Neubacher is attached to the Military Commander Southeast in Belgrade. The former Plenipotentiaries to Serbia and Greece have been recalled and in Serbia the office dissolved. In Greece, however, the office remains in existence as a subsidiary of Neubacher's post.

as to attach each of them more closely to the Germans. In short: divide-and-rule. Thus Neubacher's task complements that of Felber, the Military Commander. His function if properly performed is designed to relieve the German military of all civil affairs duties not essential to military operations, and to secure for Germany the economic privileges necessary to exploit the Balkans.

A. Dr. Neubacher

SA - Obergruppen fuehrer Dr. Ing. Hermann Neubacher is admirably suited to his task. A highly educated Austrian of middle-class parentage, he was director, in 1923, of the Gemeinwirtschaftlich Siedlungs-und-Baustoff Anstalt, (abbreviated as "Gewisa"), a semi-governmental real estate and contracting agency under the presidency of the minister of war, Julius Deutsch. His close friendship at the time with Deutsch and Breitner, both Social Democrats who later became outstanding anti-Nazis, offers sharp contrast to his own political career and rise to prominence in the Nazi party. In 1925, he organized the Oesterrichisch-Deutscher Volksbund, which advocated the union of Austria and Germany; he participated two years later in a delegation for German-Austrian economic cooperation. From 1925 on, he took a leading role as well in the Oesterrechisch-Deutschen Arbeitsgemeinschaft. He was, then, an ardent pan-German nationalist. He did not, however, join the Nazi party until after Dollfuss had come to power in 1932, when the government's tense relations with Germany and the dissolution

of the "Gewisa" seem to have crystallized his political views. By 1934, he had become Deputy Landesleiter of the party for Austria, and in 1936, he was imprisoned by Schuschnigg for his Nazi activities. He was released only after the German-Austrian treaty of that year.

After spending some time in the central administration of IG Farben, Neubacher became mayor of Vienna on 14 March 1938, three days after the Anschluss. He handed the city over to Hitler formally a few days later, and remained as Mayor until 1940. In 1942, while president of a large Viennese corporation, he was given special economic missions to Rumania and Greece; and during the spring and summer of 1943, another mission with its focus on Greece, but which also included Rumania and Bulgaria. Reports of his activities on both the 1942 and 1943 missions indicate that he was already pursuing a conciliatory policy. He antagonized the Italians by demanding that they stop arresting hostages in Greece, advocated improved working conditions for Greek labor, and attempted to conciliate the Greeks by importing Rumanian wheat. On 8 September, he was awarded the Knight's Cross of War Merit Cross for his work in Greece.

Neubacher's Austrian background, his experience in Balkan affairs, and his reputation as the representative of a "soft policy" made him an obvious choice as director of conciliation after Italy's collapse. Although the Wilhelmstrasse did not formally acknowledge until 26 October that he had been given a mission "of exerting his influence so that the European Southeast... should be led toward pacification",

his negotiations have in fact been under way since early September. The following itinerary, partly speculative and doubtless incomplete, gives some indication of the range of his activities. On 14 September, he was in Tirana, and presumably had been there for several days. Returning to Berlin shortly thereafter, he is believed within the next week to have visited Salonika. On 24 September, he received his official appointment as Special Foreign Office Plenipotentiary attached to the Military Commander Southeast in Belgrade. Three weeks later, he and von Weichs, tactical commander for the Southeastern theater, were in Zagreb. A trip to Berlin on 18 October was arranged to coincide with that of the Bulgarian regents and on 31 October, he was again in Belgrade. During November, he paid two visits to Athens, first on the 6th and again on the 24th, each of which was followed by a trip to Berlin; the latest report of his whereabouts finds him in Budapest on 12 December.

It is probably significant that the man entrusted with the adaptation of the Balkan political situation to the new military circumstances has a business background rather than that of a professional diplomat. It can be conjectured that Neubacher has been acting in the Balkans as a representative of German industrial interests. In this connection his experience in the central administration of the German Dye Trust (IG Farben) is not without interest. Max Ilgner, a leading figure in the IG Farben, is head of the South East Committee of the Reich Group "Industry" under Speer. The emphasis placed on economic inter-

ests is also reflected in the appointment as Chief of the Military Administration South East of Franz Neuhausen, formerly Plenipotentiary for Economic Affairs in Serbia.

It is probable that, aside from the immediate problems, arising from the collapse of Italy and the deterioration of the German military situation, Neubacher's appointment is intended to facilitate the orientation towards Germany of the economic life of the Balkans, and thus to lay firm foundations for the integration of the Balkan countries into the German economy for the post war period. All this may be regarded as a new step towards the realization of the Mitteleuropa idea, which has been a constant aim of German policy since the first half of the nineteenth century.

While Neubacher has apparently been the chief agent of the new German policy in the Balkans, the Reich government has supplemented his activity by calling several of the puppet rulers -- Nedich, Pavelich, and the Bulgarian Regents -- to Berlin for conferences.

B. The Policy in the Occupied Countries

1. Albania 1/

German policy has set up in Albania a model for all collaborating states. Because the situation at the time of the Italian capitulation seemed particularly appropriate for conciliation, the Germans granted to Albania their widest and most immediate concessions. Except

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1. For full discussion of German policy in Albania, see R & A #1475.

in the south, the Albanians had never undergone a German occupation; they had thoroughly hated the Italians both for their initial aggression and their subsequent administration; and the relative economic unimportance of the primitive country rendered possible a comparatively loose German control. Having a clear record themselves, the Germans could afford to discredit monarchist Italy and play the liberator by establishing a native government with at least the outward appearance of complete autonomy. Moreover, German confirmation of Albania's possession of the Kossovo region, formerly part of Yugoslavia, could be used as a political instrument without involving any territorial dislocations.

Careful to preserve the impression that the major initiative has been in native hands, the Germans have demonstrated a full knowledge of local history and political problems in attempting to create a loyal satellite in Albania. The government, which was set up within the space of two months, follows Albanian tradition, and was brought into being through a series of constitutional steps, which followed the pattern of previous Albanian interregna. A National Assembly chose a Council of Regents, which in turn named a Premier and Cabinet. Thus the fiction of an Albanian Monarchy has been preserved, and it has been at least strongly implied that the Albanian Regents could choose King Zog as their King if they should in the future wish to do so. For these constitutional bodies the Germans have secured the services of a group of able, normally anti-Fascist Albanians, whose presence lends

the government every appearance of full popular support. They have also included a disproportionately large number of representatives from the Kossovo region. This emphasis on Kossovo has served to remind the Albanians that only by a German victory can they hope to retain permanent possession.

Thus, the German program in Albania corresponds to that followed in the other "model" states established in occupied Europe.1/ Since these countries are of relative unimportance to the Germans, civil affairs are placed in native hands. This serves as an advertisement of the benefits accruing to all cooperation.

2. Montenegro

Montenegro has also been the recipient of actual concessions looking toward political sovereignty. The promise of independence which was made early in September was later fulfilled by the establishment of a formally recognized provisional government, composed of a so-called Directory, a Constituent Assembly, and a General Council. This regime is not, however, designed to parallel the one in Albania. It enjoys less autonomy, as is seen by the fact that the new government must rule in conjunction with German military authorities. It also forms an important part of German plans for Serbia.

1. Slovakia, Denmark, and, to a lesser extent, Estonia and Latvia.

Indeed, Montenegro seems to have been given its independence for the purpose of increasing its stature to that of a partner in a projected Federal Serb State. According to recent reports, the Germans now propose to extend Serb territory by uniting "independent" Montenegro and Serbia. In exchange, Nedich, the Serb quisling, is expected to include Montenegrin representatives in his government and to assume responsibility for policing the newly acquired area. Thus the Germans can hope to serve their ends in several related ways. The union would strengthen both the Reich and the puppet regimes by satisfying traditional Serb desires for an outlet to the Adriatic. It is also intended to serve as a political weapon against Tito, who apparently intends to keep Serbia and Montenegro separate within his projected federal Yugoslavia. It enables Nedich to expand his forces, and thereby relieves the pressure on the Wehrmacht. Finally, it is in line with the German policy of divide-and-rule, since the presence of pro-German Montenegrins in a Serb federal government would put a check upon possible anti-German activities by the Serbs.

3. Serbia

Puppet Serbia has been very much in the foreground of Germany's maneuvers in the Balkans. The German policy has been to promise everything, but to yield very little. The basic German mistrust of the Serbs has not been abandoned, but a propaganda campaign began early in September when the Germans proclaimed their forgiveness of past Serb sins, their contribution to the Serbs' struggle against Bolshevism, and their desire to inaugurate a new chapter in the life of Serbia. After a visit by Nedich to Hitler on 20 September, German propaganda told the Serbs that "the Reich is ready and willing to allow every country a free admission into the new Europe as long as this country shows through its deeds and behavior that it is a creative element."

The offers which followed were eloquent in their promise of an extension of Serb political and territorial sovereignty. Nedich was promised a Serb Army and a genuinely independent Serbia which would include many of the disputed areas dear to Serb nationalism. Access to the Adriatic was offered first through a projected cession of Bosnia from Croatia and later through the incorporation of independent Montenegro. Moreover, this greater Serbia, it was indicated, would include such irredentist areas as the Kossovo region from Albania, Macedonian areas from Bulgaria, Kotor from Croatia, and possibly portions of the Bachka district

from Hungary. None of these offers has as yet been implemented, and, with the possible exception of Montenegro, it seems unlikely that they will be. The Serbs are far too unreliable as collaborators to be granted any substantial measure of independence. Moreover, the same areas have been used as bait for other countries too, and would lose their value to the Germans if they were ever actually assigned to Serbia.

As an earnest of their sincerity, however, the Germans have actually granted to Nedich certain carefully limited concessions. They have permitted a reorganization of the Serb armed forces, which is to their own advantage also, since the German military administration needs native assistance; but they have kept essential matters of military security under German control. In early November, Nedich was able to announce his assumption of the Ministry of the Interior and the command of all Serb armed forces. These units -- the Serb Guards, the Serb State Guard, the Serb Volunteer Corps and the Serb Border Guard --, now all united as the State Gendarmerie, would have the task of securing order and peace, and would assure Serbia a worthy place in the European society of nations. They are the hope of Serbia, he declared, and in emphasizing the unity of state authority implied by their transfer to him, he went so far as to call them a "people's army" (Volkshеer). At the same time Nedich was permitted by the Germans to institute a recruiting campaign to raise their numbers from 25,000 to 100,000. The German ban on all but small arms was maintained, however, and conditions were laid down which ensured that the

army would be used in a restricted sphere and under German control. Nedich himself called for "loyalty to the German supervisory authorities". Finally, a German security order, issued soon after the reorganization, confirmed the authority of the German SS and Higher Police Chief in Serbia and his agents to supervise the whole work of the Serb police.

Another concession granted to Serbia foreshadowed the extent of a putative independent Serb state: the Germans approved the reintegration of the Banat into the Serb governmental framework. From the beginning of the occupation in 1941, the Banat, because of its sizeable German population, was given a special autonomous position within the framework of the Serb administration. Regional department heads, who were racial Germans, had legislative and executive powers under the formal supervision of the central Serb government. In October 1943, however, the administration of the Banat was transferred to the Serbs, and Serb sovereignty thus re-established. Military matters, however, remained in the hands of the German occupying forces.

This transfer of administration represents a concession to the Serb puppet government. It was probably intended to demonstrate to the other Balkan states that Germany does not intend to use the authority it claims over its Volksgruppen, by virtue of its racial theory of the nation, to create Reich colonies in southeastern Europe. However, the concession is largely a formality and the Nazis maintain their influence in the Banat.

There remains in force a decree of 20 August 1943, enacted by Nedich, guaranteeing to the German Volksgruppe in the Banat and Serbia, as a public corporation within the Serb state, full freedom of action in political, cultural, economic, social, and legal spheres. By securing for the racial Germans as a group a form of autonomy within the framework of Serb "sovereignty", the Nazis have been able to maintain actual control.

Finally, the Germans have permitted the reopening of the University of Belgrade for the first time since the occupation. While they pursued this liberal political policy, the Germans were securing a tightening of the controls over Serbian economy. In industry and agriculture this task was assigned to Nedich, in finance to the German General Plenipotentiary for Economy attached to the Military Commander, who doubtless exerted his influence in the other fields as well.

4. Greece

In Greece, increased guerrilla resistance, together with the economic importance of the country, governed the scale of German concessions. Attempts to "pacify" Greece have therefore been largely confined to friendly overtures and generous promises. Immediately after the fall of Italy, German spokesmen made haste to minimize their conquest of Greece, and to assert Germany's whole-hearted interest in Greek welfare. It was pointed out that the conflict between the two countries had arisen solely out of obligations to Italy and the necessity of removing British influence. Now no longer hampered by outside obligations, the Germans could renew their strong cultural ties with Greece and stress their readiness to restore Greek independence - after the war.

To prove their good intentions, the Germans have attempted to strengthen the puppet regime in Greece by making a series of territorial promises. Early in November, they proposed to return the Italian-annexed Ionian islands, and they are even reported to have urged the Greeks to make immediate provision for their administration. Whether or not any such move was actually taken, the promise itself is in keeping with the over-all German policy of safeguarding each concession, since it also includes the important proviso that Greek administrators work in cooperation with German Occupation authorities. This gesture was followed a week later by an offer of future control over the Dodecanese, to which the Greeks have a substantial claim, and which had been given to Italy after World War I.

Taking advantage of the depression which followed the failure of the British operations in the Aegean, the Germans wasted no time in contrasting their current generosity with Allied injustice in the past, and heralded their offer as further proof of the Reich's desire to return to the Greeks all of the islands which rightfully belong to them. A third and even more nebulous territorial offer to the Greeks is indicated by the reports which have been circulated concerning a resettlement of the Thracean and Macedonian territorial problem. By circulating these reports, Germany throws Bulgarian possession into doubt and opens the possibility of substantial reward to a cooperative Greece.

Meanwhile, the Germans have been making a few immediate concessions in an effort to lessen the strain on the occupying forces. The functions of the Greek gendarmerie have been expanded; as in Serbia this relieves the Wehrmacht. The quisling "security battalions" have been given more responsibility, as the Germans have decreased their own forces of occupation. The Gestapo has also been increased, however. The Germans have also made at least a superficial show of relaxing the hardships of occupation. In October, the German High Command is reported to have set free a large number of persons imprisoned by the Italians, and to have ordered the examination of Italian records with the aim of revising all unjust sentences. Toward the same end, attempts were allegedly made to alleviate the critical food shortage, a slight improvement in the situation during October being attributed to the "energetic efforts of the German-Greek Food Corporation",

and to a 10,000 ton shipment of sugar inspired by Neubacher. However, these measures have not succeeded in diminishing the difficulties of occupation for the Germans. While Berlin boasts that "the food situation in Greece has improved to such an extent that the Supply Minister has now completely freed the handling of food," Deutsche Nachrichten in Griechenland finds it necessary to announce that "for every murdered German soldier, fifty Greeks will be shot." The incompatibility of the actual situation with the announced German policy reveals both the purely propagandistic purposes and the positive failure of German "conciliation" in Greece.

C. The Policy in the Satellite Countries

1. Croatia

Croatia, one of the older Axis satellites, has since the Italian surrender been granted, as a reward for and stimulus to collaboration, the greater part of Dalmatia, previously annexed by Italy. The German forces in Croatia were too few for an effective occupation of the area, and in fact it has been controlled, except for the urban centers, by the Partisans. Hence its transfer to the Croat government served the double purpose of advertising the German liberal role in the Balkans and of easing the strain on its occupation forces.

In order to make of the Croatian government a more effective instrument for satellite administration, the Germans have forced the former Italian puppet, Pavelich, to reorganize his cabinet in such a way as to give it a more pro-German character and to attract a wider popular support.

To this end they have tried to get Machek, popular Croat Peasant Party leader, to collaborate with Pavelich; but he has remained aloof. Because they regard the Croat government as essentially reliable, the Germans have authorized various measures for the increase of the Croat contribution to the policing of the Balkans: all Croat police and security services have been reorganized and unified into a single state police guard under the command of Pavelich; military mobilization has been extended to the 1926 age-class and to those members of the 1922-25 classes who had not yet been called up; a naval militia with its headquarters at Split has been formed of Dalmatian and Croatian volunteers.

However, the subordinate role which the Germans assign the Croats in this military and police activity is indicated by the fact that Croatia has not been permitted to occupy the strategically vital Adriatic Coastal Operational Zone. The government of this zone has been placed under a German Chief of the Civil Administration, Gauleiter Rainer, the Reichs-statthalter of Carinthia. This kind of administration has always meant, in the German pattern, incorporation and preparation for annexation of the territory concerned into the Reich. 1/ This treatment indicates the Germans' determination to keep permanently in their own hands those areas deemed essential to the defense of the Reich. A similar scheme of administration, for example, has been evolved for the operational zone of Alpenvorland (South Tyrol), another Italian area of critical military importance

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1. Alsace, Lorraine, Luxemburg, Styria, Upper Carinthia, and Bialystok are other territories under this form of German administration.

for the Reich.

The Germans have increased the Croat Government's dependence on them by circulating reports that Bosnia and the port of Kotor, which are part of "Independent Croatia", but have never been genuinely Croat territory, might be transferred to Serbia. These reports are intended to make the Croat satellite government a dependable agent of Germany in the Balkans, and at the same time to obviate any chance of Croat-Serb cooperation against the Reich.

2. Bulgaria

As in the case of Croatia, the German policy towards its satellite, Bulgaria, has had direct reference to the task of ensuring military security for the Balkans. By accepting as valid Bulgarian claims to Macedonia and Thrace, the Germans from the early days of the Bulgarian alliance have been able to overcome the Bulgarian antipathy to using their troops beyond their borders. By insisting that these areas are indeed Bulgarian, and by granting permission to the Bulgars to annex them, the Germans have got Bulgarian troops to police them. Since the collapse of Italy, they have declared most of the territory transferred to Bulgaria for exclusive government, as well as the Black Sea coast and the Turkish frontier, a military zone under joint German-Bulgarian military administration. In this form they extended the Bulgarian zone to Serbia and the Albanian frontier. Thus almost the entire Balkan strategic area became nominally an outpost for the defence of Bulgaria; at the same time Bulgarian military units could

be dispersed under various German commands, and Bulgarian military administration and civil government could be deprived of paramount influence even in those areas where they had formerly exercised it. By thus dissolving the previous frontiers of Bulgarian control, the Germans have enabled themselves to use the whole area as a lever to secure collaboration, through stimulating Bulgarian hopes and fears concerning Serbian and Greek territory.

Again, as in the case of Croatia, the Nazis have succeeded in forcing a change in the Bulgarian cabinet in a pro-German direction. The appointment of Shishmanov, a man of specific German orientation, to replace the doubtful Kirov as Foreign Minister, was a change which made Bulgaria a more reliable instrument in helping the Germans to prepare the Balkans, militarily and politically, for defence.

V. Conclusion

Military expedience made it necessary after the fall of Italy for the Germans to take off the Wehrmacht as much as possible of the burden of policing the Balkans. To this end they reorganized their military administration, in line with their usual procedure in a zone of operations. They also have used old Balkan territorial rivalries in such a fashion as to keep both the puppet governments constantly bidding for favor. Promises that the individual states will receive territory and threats that they will lose it have been skilfully blended so as to keep matters in suspense, and to emphasize dependence on German good will. In those few cases where actual grants of territory have been made (Kossovo to the Albanians, Dalmatia to the Croats, and Macedonia and Thrace to the Bulgars) they have in each case been accompanied by demands that the newly-acquired areas be policed so far as possible by the recipient; and these demands have tended to increase. The Germans have been governed in these concesssions both by the economic value of the area and by its strategic importance. The usual limit of appeasement, however, has been -- as in the case of the Serbs -- an increase in theoretical sovereignty, and permission to strengthen the armed forces, -- which also helps the Wehrmacht. This policy has been accompanied by much propaganda contrasting Germany's intention to liberate the Balkans entirely after the war with the alleged Allied intention to dominate them. Germany's kind future intentions are for the present illustrated

only in Albania, which has actually been given virtual independence. In this campaign to convince the Balkan peoples that they ought to cooperate in the New Order, the Germans have rejected the idea of Balkan federation and have attributed it to the Soviets; they have rejected the idea of imperialism and have attributed it to the Italian monarchy; they have rejected the idea of artificial economic interference in the Balkans and have attributed it to the Anglo-American powers. The campaign has probably been partly intended to create between the Balkan countries enmity stronger than that felt everywhere for the Germans. In this way, the Germans reason, they can be assured of at least some Balkan allies in the event of any Anglo-American invasion, since they will almost automatically be aided in the fight by the enemies of whatever local groups may rally to the Allied cause.